

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on January 20, 2003 at 8:00 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Alberta Strachan, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 314; HB 196; HB 315
Executive Action: HB 315; HB 285 deferred action for later date; HB 164

HEARING ON HB 314**Sponsor:** REP. PENNY MORGAN, HD 21, Billings**Opening Statement by Sponsor:**

REP. MORGAN, said this bill was an act providing for the licensing and regulation by the Department of Public Health & Human Services of business establishments that allow members of the public to park or set up their recreational vehicles on the business establishments' parking facilities on an overnight basis, defining "business establishment" and "recreational vehicle"; providing rule-making authority; providing for civil penalties and other remedies; providing for inspections by health officers and sanitarians.

{Tape: 1; Side: A; Approx. Time Counter: 70 - 86}

Proponents' Testimony:

Robert Dunlap, RV Park Owner, said if you have been shopping at some of the malls, you will see recreational vehicles parked there in the evening. The people that park there are not destitute people, they are not homeless, they are not people without means, they are either on their way to someplace other than Montana and they're driving recreational vehicles in the \$30-\$70 thousand range. He said he did not castigate them for free parking. He blames it on the people who encourage this. He specifically singled out one particular store. Furthermore, the mall owners do not require campers to pay the fees and taxes to park there.

{Tape: 1; Side: A; Approx. Time Counter: 86 - 134}

REP. DALE MAHLUM, SD 35, Missoula, said people parking in free areas believe they are not required to pay bed tax. People will come to Montana because it is one of the few states that do not have a sales tax. Parking lots do not have sanitary facilities and they do not bring in dollars that are going to help the tourism industry of Montana.

{Tape: 1; Side: A; Approx. Time Counter: 134 - 158}

Jack Clarkson, Campground Owners Association of Montana, provided written testimony.

EXHIBIT (buh11a01)

{Tape: 1; Side: A; Approx. Time Counter: 158 - 189}

REP. DEE BROWN, HD 83, Hungry Horse, said this does not hurt her as a campground owner. It hurts the campground owner who is close to retail centers. Not only does it hurt because of the lack of the tax being collected, but people in the campground

industry do not have the guaranteed income. It is important this bill is passed out of committee.

{Tape: 1; Side: A; Approx. Time Counter: 190 - 206}

Marvin Linde, RV Park Owner, provided written testimony.

{Tape: 1; Side: A; Approx. Time Counter: 206 - 300}

Amy Sullivan, Montana Tourist Coalition, said they support this bill. The tourism industry is a service industry. They constantly look for ways to provide services for the tourist who is either a resident or nonresident traveling in Montana. The problem they found with recreational vehicle owners, is a difficult time determining what services they need. Many of them are not paying bed tax, are not part of the system, therefore, are not part of their research analysis. According to their latest figures, of the \$1.8 billion that tourism brings to Montana, \$20,000 counts from owners of recreational vehicles. They are coming into Montana, buying a loaf of bread, but are not contributing to the economy of Montana.

{Tape: 1; Side: A; Approx. Time Counter: 300 - 325}

Opponents' Testimony: None

Informational Testimony:

Terry Krantz, Bureau Chief, Communicable Disease Control & Prevention, Department of Public Health & Human Services, said he was available for questions.

{Tape: 1; Side: A; Approx. Time Counter: 327 - 336}

Questions from Committee Members and Responses:

REP. KEANE asked if there was a fiscal note to this bill. **Mr. Krantz** said there was going to be a fiscal note.

{Tape: 1; Side: A; Approx. Time Counter: 336 - 346}

REP. GALLIK said one of the concerns he had was the sanitary facilities that are required. He asked if the sanitary facilities that are inside of Wal-Mart would suffice. **REP. MORGAN** said "no". The current regulations are that there should be so-many restrooms for so many parking places and their location must be in so-many feet. The current facilities would not qualify unless the camper would park closer to the entrance of the store. **REP. GALLIK** asked if there were campgrounds or

parking places that allow recreational vehicles to park if they were totally self-contained. The answer was yes.

{Tape: 1; Side: A; Approx. Time Counter: 346 - 405}

REP. BOOKOUT-REINICKE asked how many other states have this type of law. **REP. MORGAN** was not able to answer the question.

{Tape: 1; Side: A; Approx. Time Counter: 405 - 419}

REP. BITNEY asked how the state law works at a state rest stop. **Mr. Linde** said there were no regulations because it is state-owned property. He then asked if rest stops or fairgrounds have the capability for sanitation service. He also questioned truck drivers at truck stops. **Mr. Linde** said they found the cost of processing all sewage from recreational vehicles was prohibitive so they have closed all of the dump stations at rest stops. The truckers do not pull into the private parking lots. Truckers go to truck stops. Most of the shopping malls post signs indicating no truckers are allowed to park there.

{Tape: 1; Side: A; Approx. Time Counter: 407 - 500}

REP. BOOKOUT-REINICKE said if Wal-Mart decides to put in a service dump on their facility, and they start charging much less than the industry charges, and they start advertising, if that take more money away from campgrounds. **Mr. Linde** said there are many price range campgrounds. There is a variation in price for campers. Many campers stop at gas stations that have dump stations. The city is then picking up the bill for this service.

{Tape: 1; Side: A; Approx. Time Counter: 1 - 74}

REP. GALVIN-HALCRO asked if Mr. Linde could supply a copy of the atlas which advertises the store locations. **Mr. Linde** said he did not have a copy because they had stopped printing them because of all the problems the stores had with selling them.

{Tape: 1; Side: B; Approx. Time Counter: 75 - 163}

Closing by Sponsor:

The sponsor closed and presented a copy of her closing remarks to the committee.

EXHIBIT (buh11a02)

{Tape: 1; Side: B; Approx. Time Counter: 163 - 265}

HEARING ON HB 196

Sponsor: **REP. STANLEY M. FISHER, HD 75, Bigfork**

Opening Statement by Sponsor:

REP. FISHER, said this bill was an act combining the Board of Barbers with the Board of Cosmetologists; establishing the composition and qualification of members on the

combined Board of Barbers and Cosmetologists and providing for five-year staggered terms for the members.

{Tape: 1; Side: B; Approx. Time Counter: 265 - 290}

Proponents' Testimony:

Jim Brown, Administrator, Business Standards Division, Department of Labor & Industry, provided the proposed amendments for this bill and explained them.

EXHIBIT (buh11a03)

{Tape: 1; Side: B; Approx. Time Counter: 299 - 407}

Wendell Petersen, Chairman, Board of Cosmetology, told of the number of people comprising the Board of Cosmetology.

{Tape: 1; Side: B; Approx. Time Counter: 408 - 435}

Pam Lemieux, Board of Cosmetology, said the salons or shops that currently employ both licensed barbers and cosmetologists must receive two licenses. The proposed change would create one license for salon or shop. Any licensed professional could work in that salon or shop, without obtaining an additional license. Barbers would also be able to attain one license and work at any salon or shop. It is estimated that there are currently 60 or 70 licensed salons and shops that have a barber shop and a cosmetology salon license. The license will see a reduction of \$75 per year for a total decrease of revenues of \$4,500 to \$4,900. There are approximately 10 new shops that apply each year for both barber shop and cosmetology license.

{Tape: 1; Side: B; Approx. Time Counter: 447 - 482}

Ed Dutton, Board of Barbers, said the barber school in Helena is shutting down at the end of May. There are many barbers in the state retiring in the near future. It would be nice to see that these shops would be able to continue to serve the needs of the state.

{Tape: 1; Side: B; Approx. Time Counter: 482 - Tape: 2; Side: A; Approx. Time Counter 11}

Gary Lucht, Program Director, University of Montana, College of Technology Barber Center, said he had previously owned two private barber schools.

{Tape: 2; Side: A; Approx. Time Counter: 12 - 161}

Darlene Battaiola, Board of Cosmetology, provided written testimony.

EXHIBIT (buh11a04)

{Tape: 2; Side: A; Approx. Time Counter: 161 - 235}

Mike Barrett, Helena resident, said he was a proponent of the bill.

{Tape: 2; Side: A; Approx. Time Counter: 235 - 284}

Opponents' Testimony:

Farrell Griffin, Billings resident, opposes this bill. He said the cosmetologists should be governed by a cosmetology board and not a barber board. Barbers, in this bill, are required to attend 1500 hours of schooling and cosmetologists should only be required to attend for 1500 hours. The acquisition of a license is a guarantee to the public.

{Tape: 2; Side: A; Approx. Time Counter: 284 - 345}

Informational Testimony: None

Questions from Committee Members and Responses:

REP. GALVIN-HALCRO asked Ms. StClair about the schooling for barbers in comparison to cosmetologists. Ms. StClair indicated the education requirements were different.

{Tape: 2; Side: A; Approx. Time Counter: 356 - 453}

REP. MORGAN stated the hours for barber training would be decreased in this bill. She asked him why he opposed this. **Mr. Griffin** said a barber just cuts hair whereas a cosmetologist does hair, nails and many more things.

{Tape: 2; Side: A; Approx. Time Counter: 454 - 500}

Closing By Sponsor:

The sponsor closed

{Tape: 2; Side: B; Approx. Time Counter: 14 - 43}

HEARING ON HB 315

Sponsor: REP. BOB LAWSON, HD 80, Whitefish

Opening Statement by Sponsor:

REP. LAWSON, said this bill was an act providing an exception from the requirement to pay standard prevailing wages for a contractor who, as a nonprofit organization providing vocational rehabilitation, performs a public works contract for non construction services and who employs an individual whose earning capacity is impaired by a mental, emotional, or physical disability if the contractor conforms with the federal Fair Labor

Standards Act and pays the individual wages that are equal to or above the state's minimum wage.

{Tape: 2; Side: B; Approx. Time Counter: 48 - 83}

Proponents' Testimony:

Wally Melcher, President, Helena Industries, said their organization was a nonprofit organization that was established to provide job training and placement for persons with a variety of disabilities. This bill would create an exemption in the state's prevailing wage law specifically for organizations that hold special wage certificates through the federal Department of Labor. In contracts, the prevailing wage is stipulated for janitorial workers. The result of this payment structure is that two individuals with a disability are producing at about a 50% rate for each of them, in comparison to a typical janitorial worker would hold one full time job. Therefore, these workers together would be making less than the stipulated prevailing wage but it is built into this exemption that they would never make lower than the state's minimum wage. They also would be paid \$1.22 per hour for helping the welfare benefit.

{Tape: 2; Side: B; Approx. Time Counter: 83 - 130}

Bill Roberts, Vice President of Manufacturing, Helena Industries, said for many years, people whose earning capacity had been hampered by disability have still been afforded the opportunity to work on public building contracts throughout the U.S. In the government system of buildings there are a wide range of services. These activities are all covered under the service contract.

{Tape: 2; Side: B; Approx. Time Counter: 130 - 197}

Jerry Driscoll, Montana State AFL-CIO, said this bill will allow disabled people to work in society instead of being in an institution. In a recent advertisement on television, disabled people earned \$12,700 million last year in wages. But the big savings is, these disabled people are not in a place like Boulder. They are out being productive citizens and trying to have a better quality of life. It is a good way. By not putting them into institutions Montana is saving money.

{Tape: 2; Side: B; Approx. Time Counter: 197 - 222}

Gene Fenderson, Montana Progressive Labor Caucus, said they stand in support of this legislation.

{Tape: 2; Side: B; Approx. Time Counter: 222 - 235}

Opponents' Testimony: None

Informational Testimony:

John Andrews, Department of Labor & Industry, said he was available to answer questions.

Questions from Committee Members and Responses:

REP. BITNEY asked Mr. Andrews if there were any other nonprofit companies offering employment to disabled individuals. **Mr. Andrews** said on behalf of the Department of Labor, there have been no inquiries from anyone regarding these employees.

{Tape: 2; Side: B; Approx. Time Counter: 250 - 254}

Closing By Sponsor:

The sponsor closed.

{Tape: 2; Side: B; Approx. Time Counter: 261 - 269}

EXECUTIVE ACTION ON HB 315

{Tape: 2; Side: B; Approx. Time Counter: 346 - 350}

Motion/Vote: **REP. LAWSON** moved HB 315 DO PASS. Motion carried 18-0.

EXECUTIVE ACTION ON HB 285

{Tape: 2; Side: B; Approx. Time Counter: 350 - 389}

Motion: **REP. GALLIK** moved HB 285 DO PASS.

Discussion:

REP. BOOKOUT-REINICKE suggested amendments. **Mr. Campbell** suggested she meet with him on the proposed amendments.

REP. GALLIK withdrew his motion.

The Committee deferred further discussion on HB 285 for another day.

EXECUTIVE ACTION ON HB 164

{Tape: 3; Side: A; Approx. Time Counter: 1 - 231; Comments: This tape is continued at #390 from Tape 2, Side B and continued with Tape 3, Side 1.}

Motion: REP. GALVIN-HALCRO moved HB 164 DO PASS.

Motion: REP. KEANE moved HB 164 AMENDMENTS

Discussion:

Mr. Campbell explained amendments

REP. KEANE explained the amendments further.

CHAIRMAN MCKENNEY said there was another amendment that needed to be discussed. He also said he liked what the bill was trying to do and he understood what REP. KEANE was suggesting. He then stated he was going to vote against the amendment.

REP. KEANE said he had talked with the sponsor of the bill and said these people needed the cost of living increase until they were off the system.

REP. BERGREN questioned the retirement adjustments.

Vote: A roll call vote was taken on HB 164 (a second set) AMENDMENTS. Motion failed 9-9 with REPS. MCKENNEY, STEINBEISSER, BITNEY, HAWK, LAWSON, MAEDJE, MENDENHALL, MORGAN and ROME voting no.

Motion/Vote: REP. MORGAN moved a second set of HB 164 AMENDMENTS. Motion carried 18-0.

Motion/Vote: REP. MORGAN moved HB 164 DO PASS AS AMENDED. A roll call vote was taken. Motion carried 10-4 with REPS. BITNEY, HAWK, MAEDJE and ROME voting no.

ADJOURNMENT

Adjournment: 10:40 A.M.

REP. JOE MCKENNEY, Chairman

ALBERTA STRACHAN, Secretary

JM/AS

EXHIBIT (buh11aad)